

Congress of the United States
Washington, DC 20515

June 17, 2015

598

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street S.W.
Washington, D.C. 20554

Dear Chairman Wheeler:

We commend the Federal Communications Commission for its progress in preparing for the broadcast incentive auction scheduled for 2016. We urge the FCC to take additional measures to ensure the incentive auction increases competition in the wireless broadband market.

The Department of Justice has warned – and the FCC has agreed – that the incentive auction threatens to foreclose future competition in the wireless broadband market.¹ To protect competition and prevent gaming, the FCC created a market-based spectrum reserve in each market that prevents dominant providers from knocking non-dominant providers out of the bidding in the hopes of raising prices or reducing quality later.² As currently structured, however, the FCC has adopted a three-block reserve that is not large enough to allow more than one non-dominant carrier the opportunity to acquire enough spectrum for a commercially successful deployment.

Expanding the spectrum reserve from its current maximum to at least four blocks, or 40 megahertz of high-quality spectrum, will enhance post-auction competition in the mobile broadband market by allowing for up to two non-dominant competitors to acquire the low-band spectrum they need to deploy reliable broadband service. Increasing the number of broadband providers with access to low-band spectrum promises to increase broadband investment, accelerate deployment, and enhance innovation in rural and urban areas alike. Absent such an expansion, dominant carriers have the incentive and ability to limit competition in the post-auction market while splitting the non-reserve blocks evenly between each other – an auction outcome that would discourage participation and threaten broadcast incentive auction revenue.

¹ See *Ex Parte Submission of the United States Department of Justice*, Docket No. 12-269 at 11 (Apr. 11, 2013); *Policies Regarding Mobile Spectrum Holdings: Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, Report and Order, 29 FCC Rcd 6133, 6169 ¶ 153 (2014) (“*Mobile Spectrum Holdings Order*”).

² *Mobile Spectrum Holdings Order* at 29 FCC Rcd 6133, 6169-71 ¶¶ 153-71.

The broadcast incentive auction represents the last opportunity in the foreseeable future for the FCC to provide access to the low-band spectrum necessary for robust wireless broadband competition. Expanding the size of the spectrum reserve will help ensure that this "once-in-a-lifetime" auction promotes wireless broadband investment, innovation and deployment. We, therefore, urge the FCC to consider expanding the incentive auction's spectrum reserve to at least four blocks of high-quality spectrum.

Thank you for your attention to this important issue.

Sincerely,

A handwritten signature in blue ink that reads "Mike Doyle".

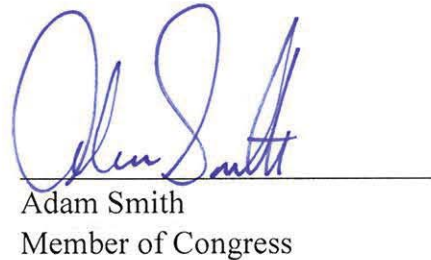
Mike Doyle
Member of Congress

A handwritten signature in blue ink that reads "Jared Polis".

Jared Polis
Member of Congress

A handwritten signature in blue ink that reads "Suzan DelBene".

Suzan DelBene
Member of Congress

A handwritten signature in blue ink that reads "Adam Smith".

Adam Smith
Member of Congress



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 27, 2015

The Honorable Suzan DelBene
U.S. House of Representatives
318 Cannon House Office Building
Washington, D.C. 20515

Dear Congresswoman DelBene:

Thank you for your letter supporting competition in the wireless marketplace. I share your view that the upcoming incentive auction is a unique opportunity to promote greater competition and choice by making additional low-band spectrum available for wireless broadband.

One of our priorities for the Incentive Auction is to assure that competitive providers have a meaningful opportunity to access low-band spectrum. This is particularly important in rural areas, where low-band spectrum is necessary if competitors are to fill in their coverage gaps, and in urban areas, where low-band spectrum allows more reliable in-building coverage. I agree that facilitating access to low-band spectrum by multiple providers is important to preserve and promote competition in the mobile wireless marketplace, which brings consumers more choices, lower prices, and higher quality services.

For these reasons, as you note, the Commission has established a groundbreaking spectrum reserve for competitors in every market nationwide. The market-based spectrum reserve for the incentive auction will facilitate an opportunity for mobile wireless providers that lack significant amounts of low-band spectrum to acquire such spectrum. Additionally, the market-based reserve is designed to promote competition as well as ensure that all bidders bear a fair share of the value of the spectrum for the public and the costs of broadcaster relocation. While I believe we struck the right balance when we set this first-ever reserve at 30 megahertz, I share your goal and your belief that a spectrum reserve will help ensure that consumers will benefit directly from increased competition in all parts of the country – rural, suburban and urban areas included.

Thank you for your ongoing interest in and support of our efforts to promote competition and choice in mobile broadband. I look forward to working with you toward our mutual goal of a successful incentive auction in early 2016 for the benefit of America's consumers.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Wheeler", is written over a horizontal line.

Tom Wheeler



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 27, 2015

The Honorable Mike Doyle
U.S. House of Representatives
239 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Doyle:

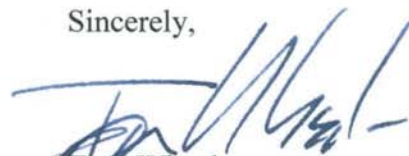
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Sincerely,



Tom Wheeler



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 27, 2015

The Honorable Jared Polis
U.S. House of Representatives
1433 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Polis:

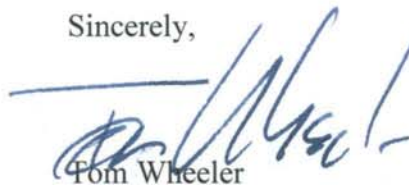
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Tom Wheeler



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 27, 2015

The Honorable Adam Smith
U.S. House of Representatives
2264 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Smith:

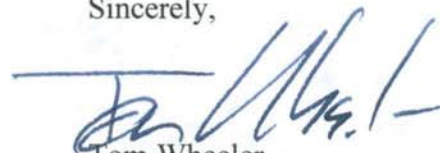
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Tom Wheeler